

**State of Rhode Island and Providence Plantations
Public Utilities Commission**

Minutes of Open Meeting Held December 20, 2012

Attendees: Chairman Elia Germani, Commissioner Mary Bray, Commissioner Paul Roberti, Cindy Wilson-Frias, Amy D'Alessandro, Alan Nault, Sharon Colby Camara and Dilip Shah. Staff Nicholas Ucci, Patricia Lucarelli and Luly Massaro were not present.

Chairman Germani called the open meeting to order at 10:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers

The following companies filed tariff revisions to their existing tariffs. The Division reviewed the tariff filings and recommended that they be allowed to go into effect without suspension of:

- 2426 – TCG Rhode Island (tariff filings 11/30/12)**
- 2618 – AT&T Corp. (tariff filings 12/6/12 & 12/7/12)**
- 2262(J20) – Embarq Communications, Inc. (11/28/12)**
- 2262(P16) – Legacy Long Distance International, Inc. (12/6/12)**

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

The following company ceased operations and requested that its authority to transact as telecommunications supplier be withdrawn and rescinded.

- 2262(R16) – Horizon Telecom, Inc.**

After review, Commissioner Bray moved to rescind and recall the authority of the company as requested. Commissioner Roberti seconded the motion and the motion was unanimously passed.

Vote 3-0.

4373 – Interstate Navigation Co. – Interstate Navigation filed new rates designed to collect additional revenues of \$1,302,177 or 13.19% for effect December 27, 2012. Commissioner Bray moved to suspend the proposed rates beyond the proposed effective date in order to conduct discovery and hearing into Interstate's rate filing. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4320 – Woonsocket Water Division – Woonsocket Water filed on December 17, 2012 compliance tariffs submitted pursuant to the terms in the Settlement Agreement that was approved by the Commission at open meeting on October 24, 2012. The Division filed a memo summarizing its review and recommending approval of the compliance tariffs as filed. Commissioner Bray moved to approve Woonsocket Water's compliance tariffs. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4345 – CH4 Biogas, LLC for Synergy Biogas, LLC Generation Unit (Company) – The Company filed an application seeking certification for its Synergy Biogas, LLC Generation Unit, 1.426 MW Biogas energy Generation Unit located Covington, NY, as an eligible New Renewable Energy Resource. The Commission’s Consultant submitted review and recommendation to conditionally approve the unit as a New, Eligible Biomass Renewable Energy Resource, with the condition that the applicant provides the unit’s NEPOOL GIS number when it is assigned. After review, Commissioner Bray moved to approve the application with conditional requirement that the applicant provide the unit’s NEPOOL GIS number when it is assigned. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4311 - SREC Generating Company, Inc. for Steuben County Landfill Generation Unit (Company) – The Company filed on November 8, 2013 a Motion For Waiver Of Bilateral Contract, specifically, a waiver from Section 5.1(ii)(1) of the Renewable Energy Standard rules which requires a unit-specific bilateral contract for the sale and delivery of energy into NEPOOL. After review, Commissioner Bray to grant the Motion for Waiver of Bilateral Contract. Commissioner Roberti seconded the motion and the motion was passed. Vote 3-0.

4290 – RI Office of Energy Resources (OER) – The Commission reviewed the record relating OER’s October 15, 2012 LIHEAP

Enhancement Plan Rates for 2013 and proposal to continue the current funding level of 83¢ per month for each electric and natural gas customer per month for the calendar year 2013. After review, Commissioner Bray moved to approve the continuation of LIHEAP charge of 83¢ as proposed. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4342 – National Grid – The Commission reviewed the record relating to National Grid’s tariff filings to 1) amend the Terms & Conditions for Distribution Service, R.I.P.U.C. No. 2072 (Installation of Meters for electric) and 2) amend the Terms & Conditions, R.I.P.U.C. NG-Gas No. 101, Section 1M, Schedule A Billing and Reading of Meters for gas). The Company subsequently revised the tariffs on December 4, 2012 in response to concerns raised at the technical session held on October 15, 2012. The proposed tariffs will allow residential customers the choice to opt-out from the use of the Company’s Automated Meter Reading (“AMR”) meter equipped with a radio frequency (“RF”) transmitter and request that it be replaced with a non-AMR manually-read meter that does not utilize a RF transmitter. Customers who opt-out will be assessed a one-time installation fee for the manual read meter and a monthly charge to offset the incremental cost associated with Company employees manually reading the meter as compared to costs associated with reading ARMs. The Division submitted a memo recommending approval of National Grid’s December 4 revised tariff. After deliberation, Commissioner Bray moved to approve National Grid’s December 4

proposed revised tariffs and to require the Company to report, at end of twelve months, the frequency of actual monthly reads. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4315 – National Grid – The Commission reviewed the record regarding National Grid's November 19, 2012 proposed Standard Offer Service (SOS) Rates for the Industrial Group for the period January 2013 - March 2013, and the Residential and Commercial Groups for the period January 2013 - June 2013. The proposed SOS rates are filed pursuant to the Company's 2013 SOS Procurement Plan which was approved by the Commission on June 12, 2012. After review, Commissioner Bray moved to approve National Grid's November 19, 2012 proposed SOS rates effective January 1, 2013. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4371 – National Grid – The Commission review the record relating to National Grid's November 16, 2012 proposed revision to the Long-Term Contracting for Renewable Energy Recovery (LTCRER) Factor. After review, Commissioner Bray moved to approve a LTCRER Factor of \$0.00019 per kWh effective January 1, 2013 to be recovered through the Renewable Distribution Charge. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

4366 – National Grid – No discussion of this docket because the Commission rendered a bench decision at the December 18, 2012 hearing. The Commission unanimously approved National Grid's November 2, 2012 Settlement of the Parties for approval of the National Grid's Energy Efficiency Program Plan for 2013, budget and associated electric and gas Energy Efficiency Program Charge, and revision to existing general service tariff applicable to commercial and industrial customers to implement a combined heat and power proposal pursuant to R.I.G.L. 39-1-27.7(6)(ii) through (iv) for effect January 1, 2013.

4367 – National Grid – No discussion of this docket because the Commission rendered a bench decision at the December 18, 2012 hearing. The Commission unanimously approved National Grid's November 2, 2012 Settlement Agreement of the Parties for approval of the 2013 System Reliability Procurement to continue funding the second year of the Load Curtailment Pilot. Funding for the pilot is proposed to be collected through the electric Energy Efficiency Charge.

4323 – National Grid – The Commission reviewed the record relating to National Grid's Application for Change in Electric and Gas Base Distribution Rates. An Amended Settlement Agreement was filed by National Grid on November 14, 2012. The Settlement Agreement is signed by National Grid, the Division and the U.S. Navy and authorizes increases of \$21.5 million and \$11.2 million, respectively,

in National Grid's electric and gas base distribution revenues. The Settlement authorizes a return on equity of 9.5%, implementation of a pension adjustment mechanism for the Company's electric operations and recovery of uncollectible accounts expense based on actual 5 year average write-off rates of 1.25% (electric) and 3.18% (gas). The Settlement further authorizes the Company to annually recover its property tax expense through the ISR mechanism, excluding gas growth and non-ISR investments. The Company would be authorized to annually credit the Storm Fund in the amount of \$7.3 million. The monthly bill impact of the Settlement on an average electric customer is \$2.56. The annual bill impact on a typical gas customer is \$55.00. After review, Commissioner Bray moved to approve the Amended Settlement Agreement. Commissioner Roberti seconded the motion and the motion was unanimously passed. Vote 3-0.

The open meeting adjourned at 10:50 A.M.